

Message Text

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PAGE 01 MANAGU 04738 052041Z

60

ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 SS-20 L-03 NSC-10 TRSE-00 INT-08

COME-00 CIAE-00 INR-10 NSAE-00 PA-04 RSC-01 USIA-15

PRS-01 SPC-03 DRC-01 /108 W
----- 042557

R 052000Z DEC 73

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 3051

INFO AMEMBASSY GUATEMALA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY PANAMA

AMEMBASSY CARACAS

C O N F I D E N T I A L MANAGUA 4738

E. O. 11652: GDS

TAGS: ENRG NU

SUBJECT: ENERGY CRISIS: IMPACT DELAYED IN NICARAGUA

REF: STATE 229466

1. THE WORLD ENERGY CRISIS, THUS FAR, HAS NOT BEEN FELT IN NICARAGUA. LOCAL COMPANY SPOKESMEN IN PAST WEEK HAVE STATED PUBLICLY THAT SUPPLIES ARE ADEQUATE TO COVER NORMAL CONSUMPTION FOR THE NEAR FUTURE AND THAT, FOR THE TIME BEING, THEY SEE NO NEED FOR RATIONING. THE ONLY SHORTAGES OF PETROLEUM PRODUCTS REPORTED IN THE LOCAL PRESS ARE AT GAS STATIONS CLOSEST TO COSTA RICAN AND HONDURAN BORDERS.

2. IN CONVERSATION WITH EMBOFFS NOVEMBER 29, LOCAL ESSO REFINERY MANAGER DANILO LACAYO SAID HE SEES NO PROBLEM LOCALLY AT LEAST THROUGH THE FIRST OF NEXT YEAR. ESSO IMPORTS ALL ITS CRUDE FROM VENEZUELA (3.6 MILLION BBLs. IN 1972) AND LACAYO HAS HAD NO INDICATION THAT VENEZUELA CONSIDERING RATIONING OR REALLOCATING CRUDE AMONG TRADITIONAL CUSTOMERS. IN THIS CONTEXT
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PAGE 02 MANAGU 04738 052041Z

HE REMARKED THAT NICARAGUA IS LUCKY ITS CONSUMPTION IS SO

SMALL THAT ANY REDUCTION IN CRUDE DELIVERIES WOULD BE TOO INSIGNIFICANT TO HELP ANYONE ELSE. HE ADDED THAT WORLD SITUATION AT PRESENT TIME IS JUST TOO CONFUSED TO HAZARD ANY LONG RANGE PREDICTIONS.

3. APPARENTLY NICARAGUA'S NEIGHBORS THINK IT HAS ENOUGH PETROLEUM TO HELP THEM OUT. BOTH HONDURAS AND COSTA RICA HAVE OFFICIALLY REQUESTED THE GON TO DIVERT REFINED PRODUCTS TO THEIR MARKETS. IN BOTH CASES, THE GON HAS REFUSED ON THE GROUNDS IT HAS NO SURPLUS. THE FEELING AMONG INDUSTRY AND PUBLIC OFFICIALS HERE IS THAT NICARAGUA HAS EARNED ITS RELATIVELY FAVORABLE POSITION BY PURSUING BUSINESSLIKE PRICING POLICIES OVER THE YEARS.

SHELTON

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